

Report to the
Senate Appropriations Committee on Health and Human Services
House of Representatives Appropriations Subcommittee
on Health and Human Services
and
Joint Legislative Oversight Committee
on Mental Health, Developmental Disabilities and
Substance Abuse Services

Monthly Report on Community Support Services

November 2007

Session Law 2007-323

House Bill 1473

Section 10.49.(ee)

December 31, 2007

North Carolina Department of Health and Human Services

Executive Summary

Legislation in 2007 requires the Department of Health and Human Services to report monthly on the use and cost of community support services for persons with mental health, developmental, and substance abuse disabilities. This November 2007 report includes data on the past 21 months of services. The following highlights provide a summary of that information.

Highlights

- In September 2007, about 26,500 children and 14,100 adults received Medicaid-funded community support services and about 500 children and almost 3,200 adults received State-funded community support services.
- About 960,000 hours of Medicaid-funded community support services, at a cost of approximately \$49 million, were provided to children and adolescents in September 2007. State-funded services for children and adolescents totaled about 6,800 hours and cost about \$314,000.
- Medicaid-funded community support services for adults totaled about 367,000 hours in September 2007, at a cost of almost \$19 million. About 12,500 hours of State-funded services were provided that month, at a cost of about \$554,000.
- In September 2007, the use of Medicaid-funded community support services averaged about 36 hours per month for eight months for children and adolescents and about 26 hours per month for nine months for adults. State-funded services averaged shorter duration and intensity.
- As of November 30, 2007, 1,460 provider sites were actively enrolled with Medicaid to provide community support services and the enrollment of 282 had been terminated.
- The Local Management Entities (LMEs) completed the first round of Post-Payment Clinical reviews in September 2007. Over 200 provider sites have been referred to the Division of Medical Assistance for further scrutiny.
- Far more persons receive community support than the other newly enhanced services that were implemented in March 2006. The greatest numbers of persons receiving other enhanced services in September 2007 were found in psychosocial rehabilitation and assertive community treatment teams.
- The highest *total hours* of services in September 2007– after community support – were for psychosocial rehabilitation and child day treatment. *Average hours per person* for these Medicaid-funded services during September remained twice the average hours for community support.
- The most expensive services after community support in September 2007 were child day treatment and assertive community treatment teams, at about \$2 million each, and psychosocial rehabilitation and community support teams, at over \$1 million each (Medicaid and State funds combined).

Table of Contents

LEGISLATIVE BACKGROUND.....	4
USE OF COMMUNITY SUPPORT SERVICES	5
NUMBER OF CONSUMERS	5
VOLUME OF SERVICES.....	6
SERVICES BY QUALIFIED PROFESSIONALS AND PARAPROFESSIONALS	7
COST OF SERVICES	7
INTENSITY OF SERVICES (LENGTH OF SERVICE AND HOURS PER PERSON).....	9
COMMUNITY SUPPORT PROVIDERS.....	12
NUMBER OF ENROLLED PROVIDERS.....	12
CLINICAL POST-PAYMENT REVIEWS.....	13
ACTIONS TAKEN AND PROVIDERS REFERRED FOR FURTHER REVIEW	15
USE OF OTHER NEW ENHANCED SERVICES	16

Community Support Services

November 2007 Report

Legislative Background

Session Law 2007-323, House Bill 1473, Section 10.49.(ee) requires the Department of Health and Human Services to “[evaluate] the use and cost of community support services to identify existing and potential areas of over utilization and over expenditure.” Section 10.49(ee)(10) further stipulates that the Department will:

“Beginning October 1, 2007, and monthly thereafter, report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall include the following:

- a. The number of clients of community support services by month, segregated by adult and child;*
- b. The number of units of community support services billed and paid by month, segregated by adult and child;*
- c. The amount paid for community support by month, segregated by adult and child;*
- d. Of the numbers provided in sub-subdivision b. of this subdivision, identify those units provided by a qualified professional and those provided by a paraprofessional;*
- e. The length of stay in community support, segregated by adult and child;*
- f. The number of clinical post payment reviews conducted by LMEs and a summary of those findings;*
- g. The total number of community support providers and the number of newly enrolled, re-enrolled, or terminated providers, and if available, reasons for termination;*
- h. The number of community support providers that have been referred to DMA's Program Integrity Section, the Division's "Rapid Action response" committee; or the Attorney General's Office;*
- i. The utilization of other, newly enhanced mental health services, including the number of clients served by month, the number of hours billed and paid by month, and the amount expended by month.”*

About the Data: The following pages include historic data for 21 months, in order to capture trends in the use of community support services since its inception. The data span Medicaid-funded and State-funded services that were provided between March 20, 2006 and November 30, 2007 based from service claims paid through November 30, 2007. The data on the following pages – with the exception of Figure 1.7 and 1.8 – are based on the *date of service*, rather than the *date of payment*, as this gives a more accurate description of the actual trends in use of services. (See page 7 for more information.) Caution is necessary in interpreting data for the most recent months, due to delays in providers’ submission of service claims.

The possibility of incomplete data for the most recent months is represented by dotted lines (- - -) in the graphs.

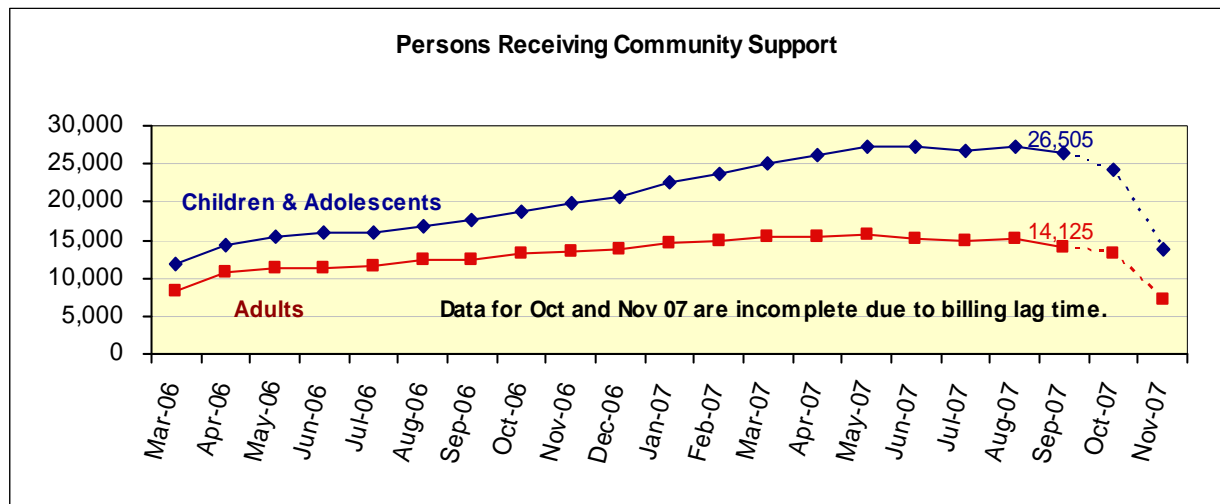
Medicaid funding defines children as ages 0-20; State funding defines children as ages 0- 17.

Use of Community Support Services

Number of Consumers

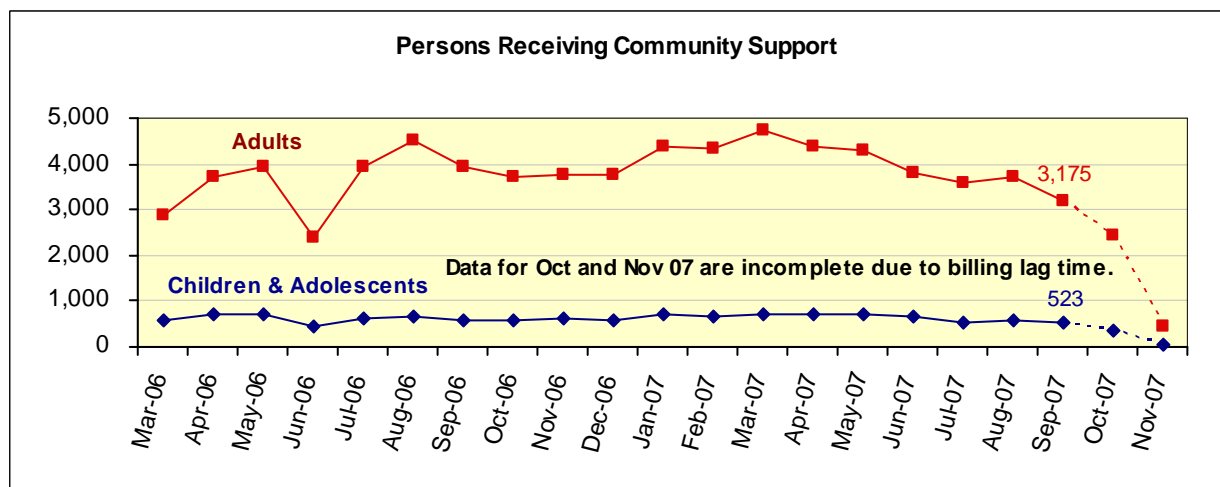
As indicated by Figure 1.1 below, the number of individuals receiving Medicaid-funded community support services in the past 21 months grew to 26,505 children and adolescents and 14,125 adults by September 2007. Preliminary data for October-November, 2007 (indicated by the dotted lines) suggest a continuation of the leveling off in persons served that began in May 2007.

Figure 1.1
Medicaid-Funded Services



As indicated by Figure 1.2 below, more adults receive State-funded community support services than children and adolescents. The number of adults served has been decreasing since March 2007, while the number of children and adolescents has remained fairly stable.

Figure 1.2
State-Funded Services



Volume of Services

Since last month's report, there has been a slight decrease in the hours of Medicaid-funded community support provided, as shown in Figure 1.3. Services for children and adolescents dropped over 107,000 hours (from 4.3 million units to 3.8 million units), and services for adults decreased by almost 64,000 hours (from 1.7 million units to 1.4 million units) between August 2007 and September 2007.

Figure 1.3
Medicaid-Funded Services

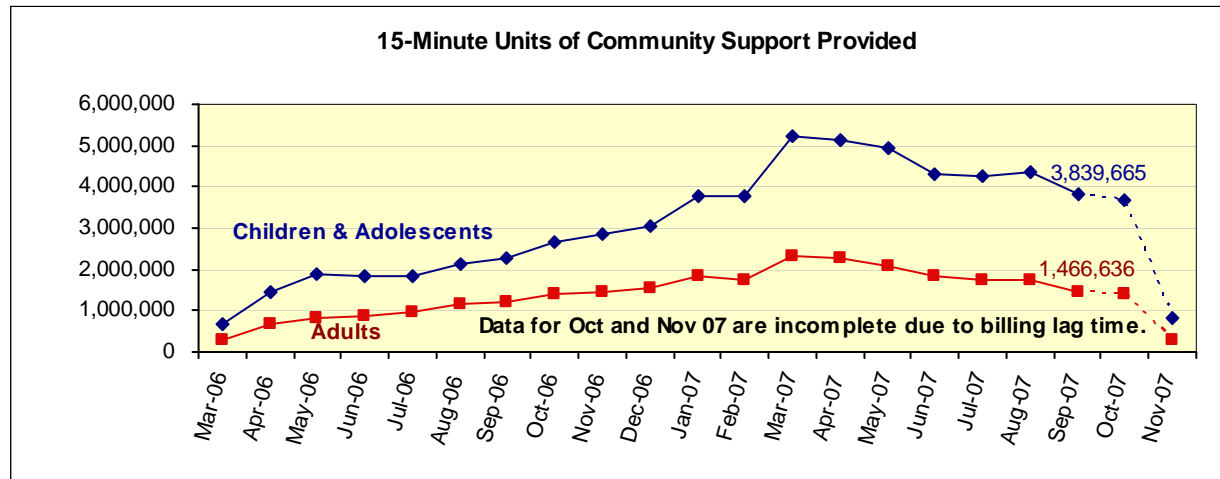
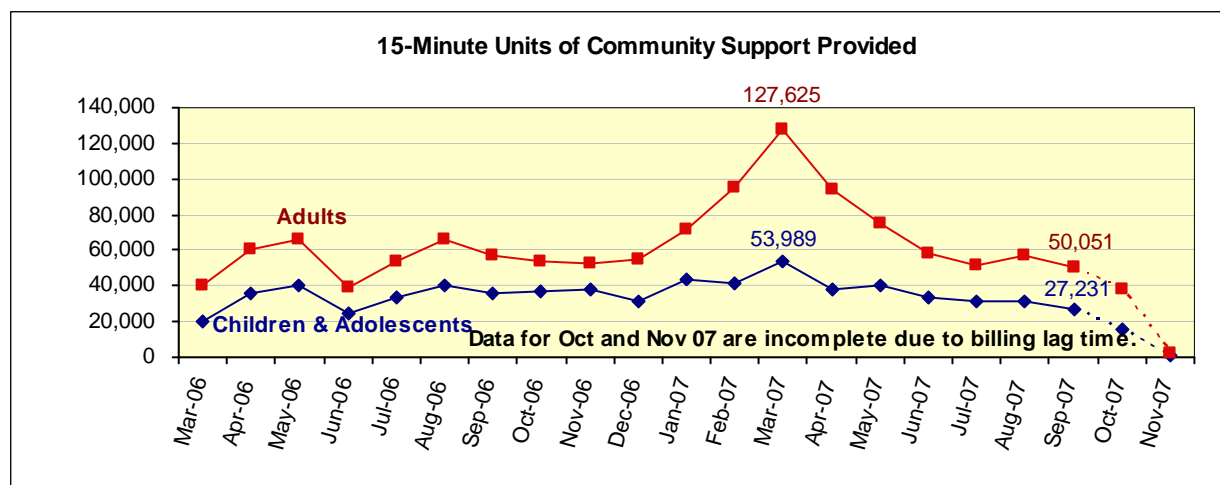


Figure 1.4 below shows a peak in State-funded services in March 2007 for both adults and children and adolescents. Units of service for adults grew to almost 128,000 (32,000 hours) in March 2007 and declined by 61% to about 50,000 units (12,500 hours) by September 2007.

Community support provided to children and adolescents was cut in half in the past 6 months with a decline from almost 54,000 units (13,500 hours) in March 2007 to about 27,000 units, (6,800 hours) in September 2007.

Figure 1.4
State-Funded Services



Services by Qualified Professionals and Paraprofessionals

A breakdown of units provided by qualified professionals and by paraprofessionals will be reported, once qualifiers are added to the community support billing codes in December 2007.

Cost of Services

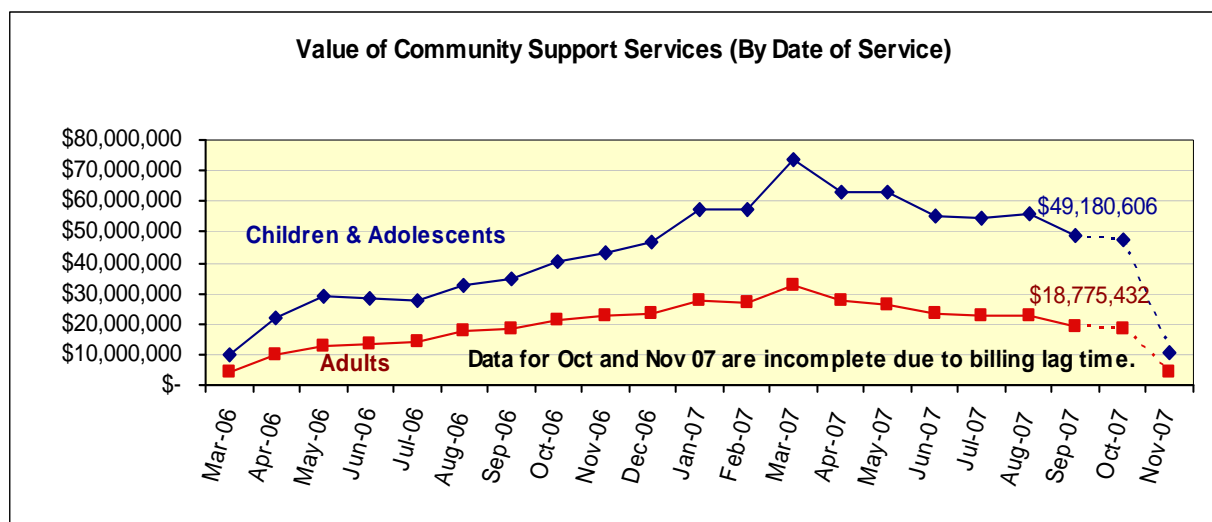
In order to present the most accurate picture of the cost of community support services, two methods of calculating expenditures are needed.

Patterns in service costs are calculated based on the *date of service*. These data (see Figures 1.5 and 1.6) provide a good representation of trends in *actual use and cost of services* each month. However, dollar amounts for the most recent months (October-November 2007) require cautious interpretation. Due to the time needed for claims submission and processing, expenditures shown for these most recent months are likely to be incomplete.¹

Patterns in service payments are calculated using the *date of payment* of the service claim. This information (see Figures 1.7 and 1.8) provides a good representation of trends in *actual funds expended* from month to month, including the most recent months. However, information based on date of payment is less helpful for evaluating or predicting trends in use of community support services, due to variability in providers' claims submission practices and the number of check-write cycles that occur each month.

As shown in Figure 1.5, the monthly Medicaid cost of community support services peaked in March 2007. As of September 2007 the cost of services provided had dropped to about \$49.1 million for children and adolescents and \$18.8 million for adults.

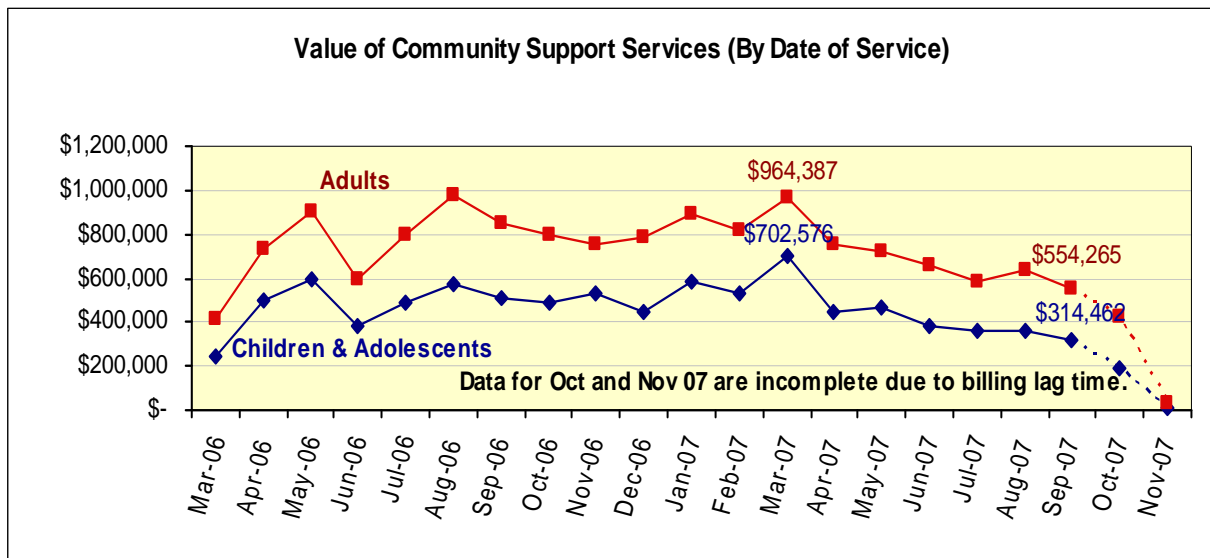
Figure 1.5
Medicaid-Funded Services



¹ Each monthly report includes updated expenditures for previous months to reflect additional claims as they are paid.

As shown in Figure 1.6, the monthly State-funded cost of community support services reached over \$964,000 for adults and \$703,000 for children and adolescents in March 2007 before beginning to drop. In September 2007, the cost of services was about \$554,000 for adults and over \$314,000 for children and adolescents.

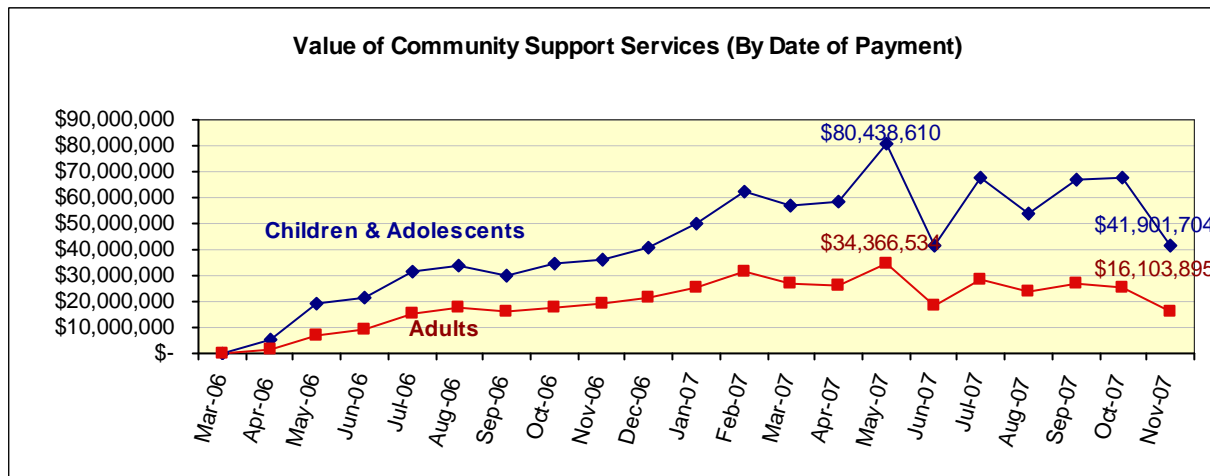
Figure 1.6
State-Funded Services*



*Data does not include the cost of services provided in LMEs that receive Single Stream funding.

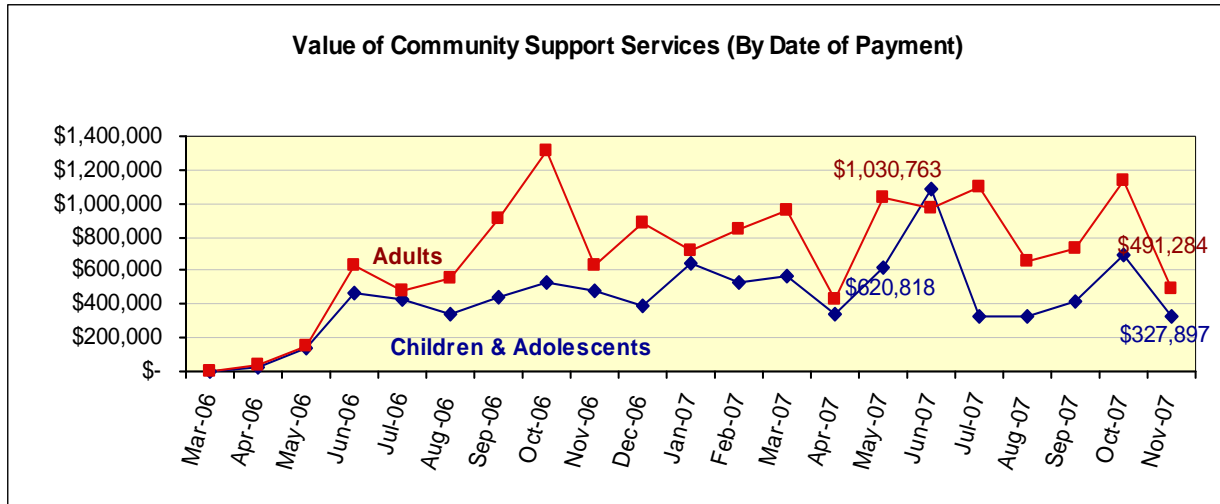
As shown in Figure 1.7 monthly Medicaid payments to providers for community support services peaked in May of 2007. In November the payments totaled about \$41.9 million for children and adolescents and \$16.1 million for adults.

Figure 1.7
Medicaid-Funded Services



Payments of state funds made through the Integrated Payment and Reimbursement System (Figure 1.8) reflect a more irregular billing pattern for community support children and adolescents and for adults.

Figure 1.8
State-Funded Services*

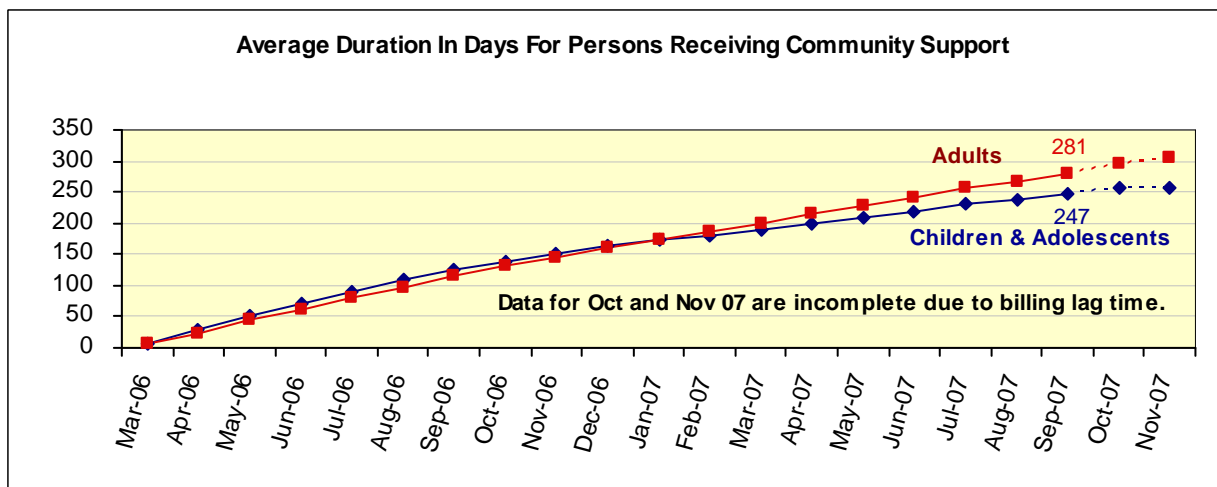


*Data does not include the cost of services provided in LMEs that receive Single Stream funding.

Intensity of Services (Length of Service and Hours Per Person)

The *average length of service* or duration of services, as shown in Figure 1.9 below, shows a steady rise in how long individuals remain in community support services. In September 2007 the average length of service was approximately eight months (247 days) for children and adolescents and nine months (281 days) for adults. Preliminary data for October and November suggest that the average length of service is continuing to rise.

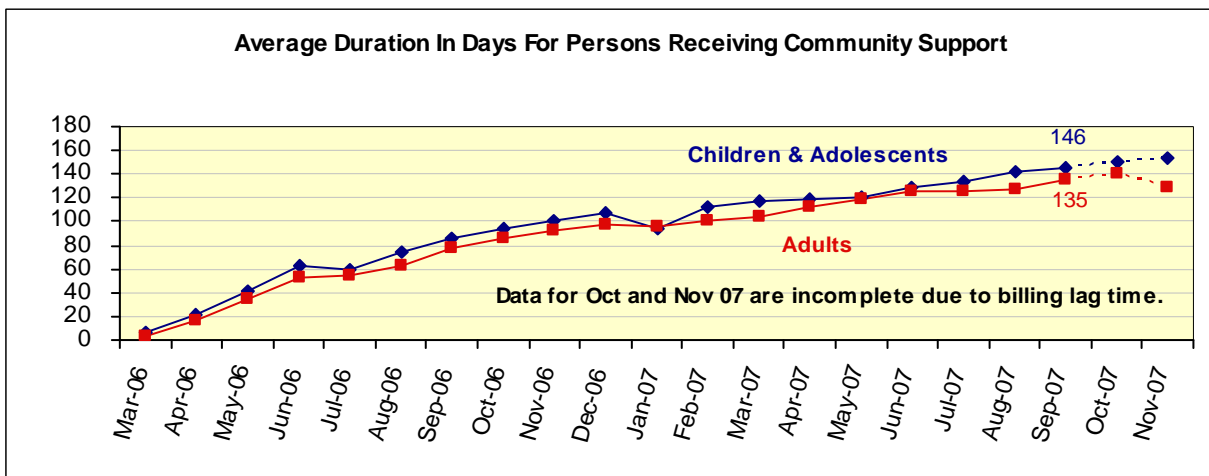
Figure 1.9
Medicaid-Funded Services



The *average length of service* for State-funded consumers, as shown in Figure 1.10 on the next page, also shows a steady rise. In September 2007 the average length of service was

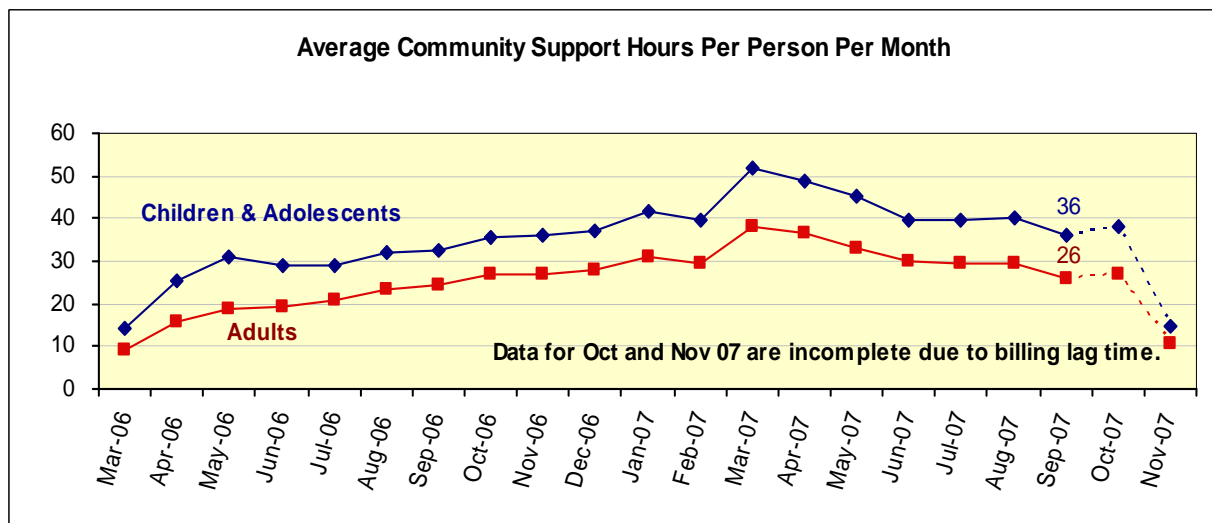
approximately almost five months (146 days) for children and adolescents and over four months (135 days) for adults. Preliminary data for October and November suggest that the average length of service is continuing to rise for children and adolescents.

Figure 1.10
State-Funded Services



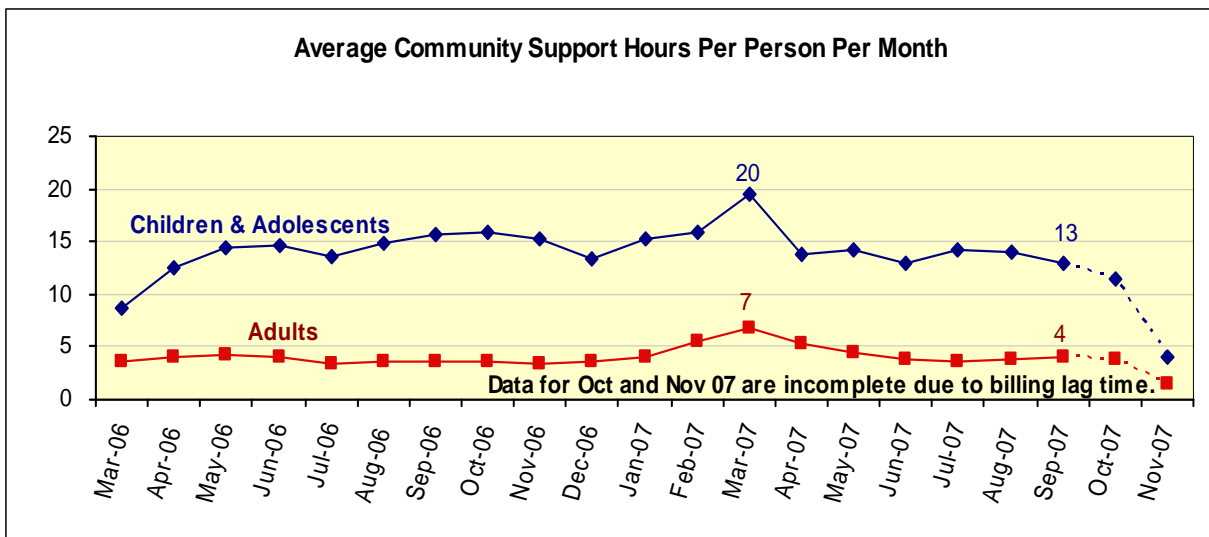
Average hours per person per month provide additional information for evaluating the intensity of the services provided. As indicated in Figure 1.11 below, the average hours per month funded by Medicaid dropped to about 36 hours a month per child/adolescent and 26 hours a month per adult in September 2007, but may be rising again in October.

Figure 1.11
Medicaid-Funded Services



As indicated in Figure 1.12 below, the average hours per month for State-funded community support services had dropped to about 13 hours a month per child/adolescent and 4 hours a month per adult in September 2007, after peaking at 20 hours a month per child / adolescent and 7 hours per adult in March 2007.

Figure 1.12
State-Funded Services

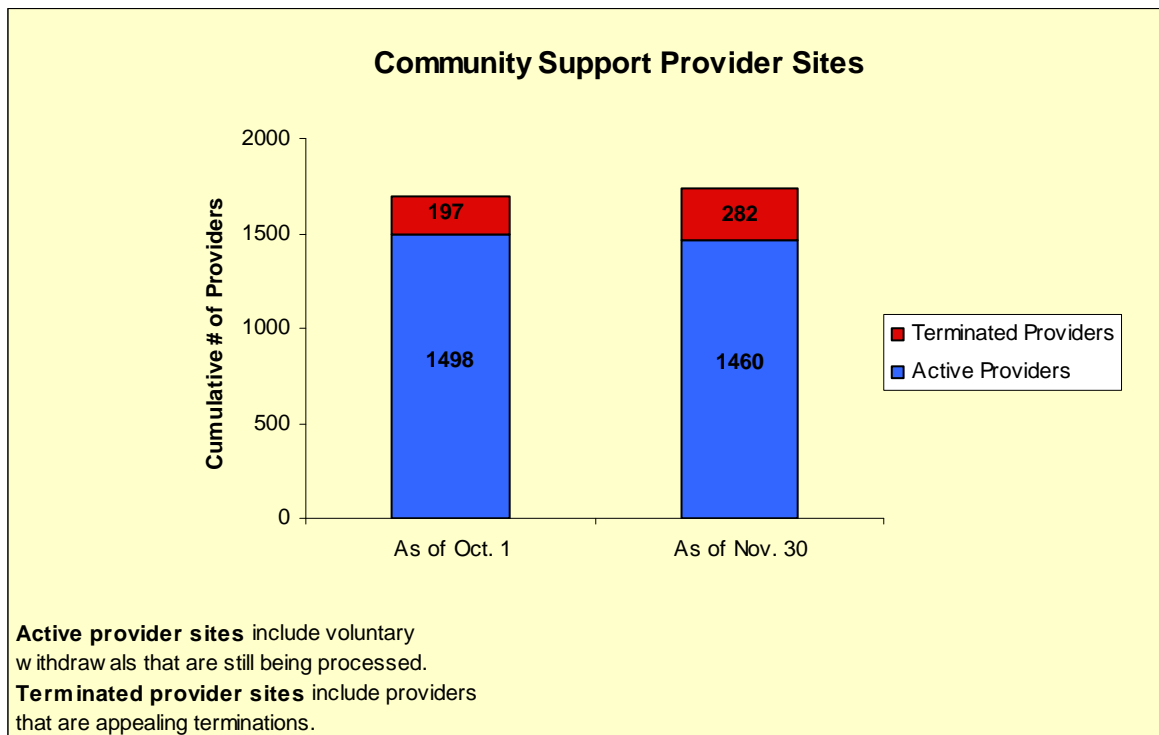


Community Support Providers

Number of Enrolled Providers

As of October 1, 2007, a total of 1,695 distinct provider sites had been enrolled to provide community support services.² Of these, 197 sites had been terminated prior to that date. As of November 30, 2007 1,460 provider sites were actively enrolled to provide community support services, while 282 provider sites were terminated. In October, DHHS implemented a new policy for provider enrollment and will include re-enrollment information in future reports.

Figure 2.1

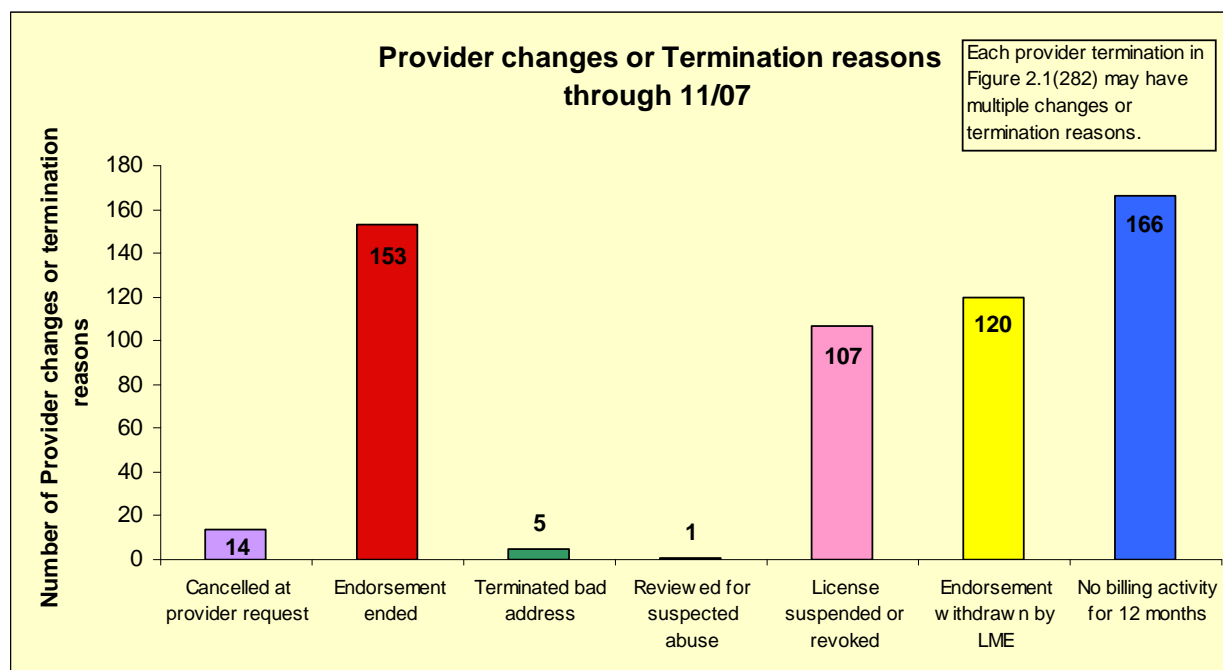


*Current Provider data was created on 12/17/07

Figure 2.2 below outlines reasons for changes and terminations for the 282 providers terminated in the figure above. Provider inactivity, lapsed endorsements, and voluntary withdrawals represented the most frequent reasons for termination.

² Providers are identified by the specific location from which services are delivered. A single business entity that has multiple enrolled sites is counted multiple times in Figure 2.1.

Figure 2.2



Clinical Post-Payment Reviews

As reported last month, the LMEs completed the first round of post-payment reviews in September 2007. These reviews included 4,155 reviews of adults and 7,646 reviews of children and adolescents who received at least twelve hours per week of community support services and involved 777 provider sites. As shown in Figures 2.3 and 2.4 on the next page, only 10% of adults' services and 11% of child services were considered medically necessary with appropriate duration and intensity. The reviews indicated that 54% of the individuals reviewed received community support services that were medically necessary, but not of appropriate duration or intensity. The remaining individuals received services that were determined not to be medically necessary. The LMEs are currently completing service record reviews and preparing for the next phase of the post-payment review process. Results of those reviews will be reported when completed.

Figure 2.3

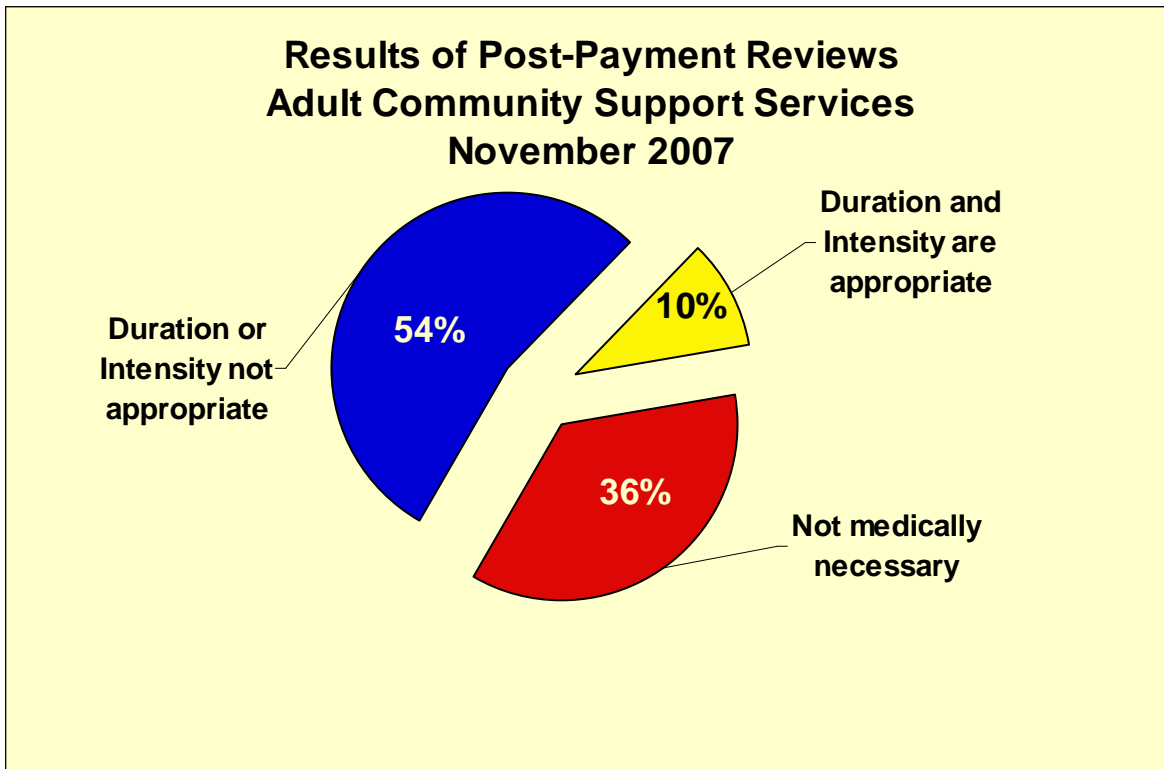
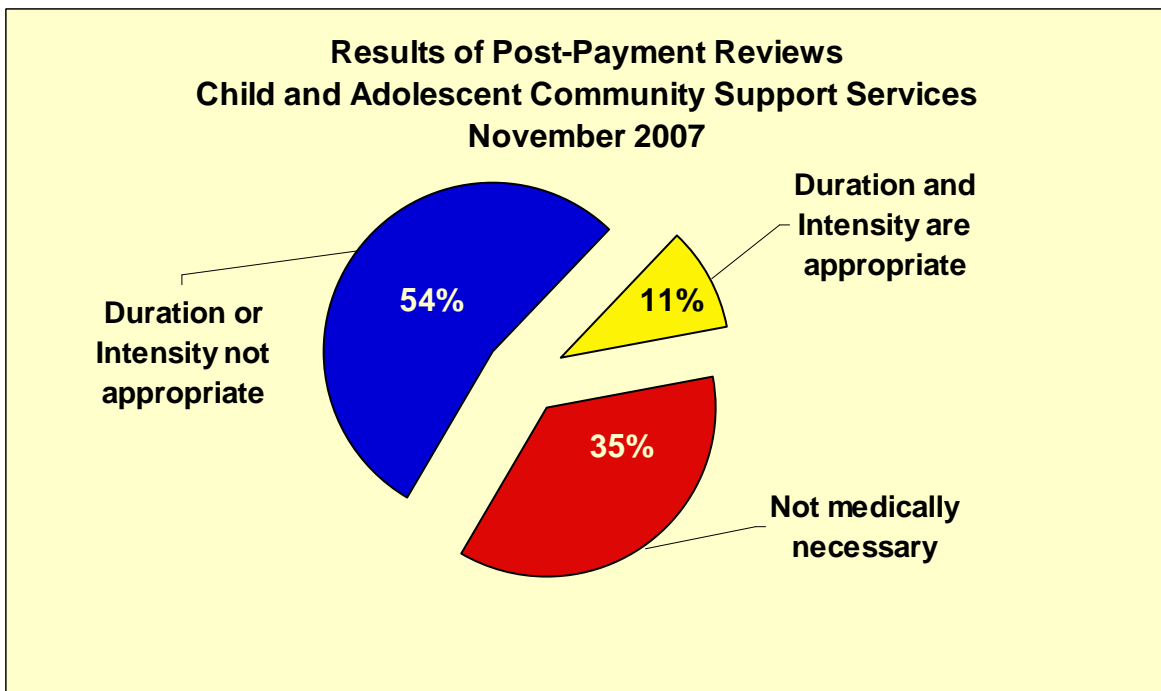


Figure 2.4



Actions Taken and Providers Referred for Further Review

As shown in Figure 2.5 below, almost 500 community support providers have been referred to the Division of Medical Assistance (DMA) Program Integrity Section for further scrutiny. Decisions about further referrals, actions and sanctions will occur after completion of review by DMA. Due to the current volume of community support providers being reviewed by the Program Integrity (PI) Section, the Rapid Action Committee will not review the cases prior to further action.³ The Program Integrity Section is currently reviewing provider cases for referral to the Attorney General's Medicaid Investigation Unit (MIU).⁴

Figure 2.5

Community Support Providers Referred for Further Action As of November 30, 2007				
	Previous Totals	November Totals	Cumulative Totals	%
Providers Reviewed By LMEs	777	--	777	100%
Providers Referred to DMA PI Section	216	265	481	62%
Providers Referred to DMA Rapid Action Committee	*	*	*	*
Providers Referred by DMA to Attorney General's Medicaid Investigation Unit	*	*	*	*

* Figures to be included at a later date.

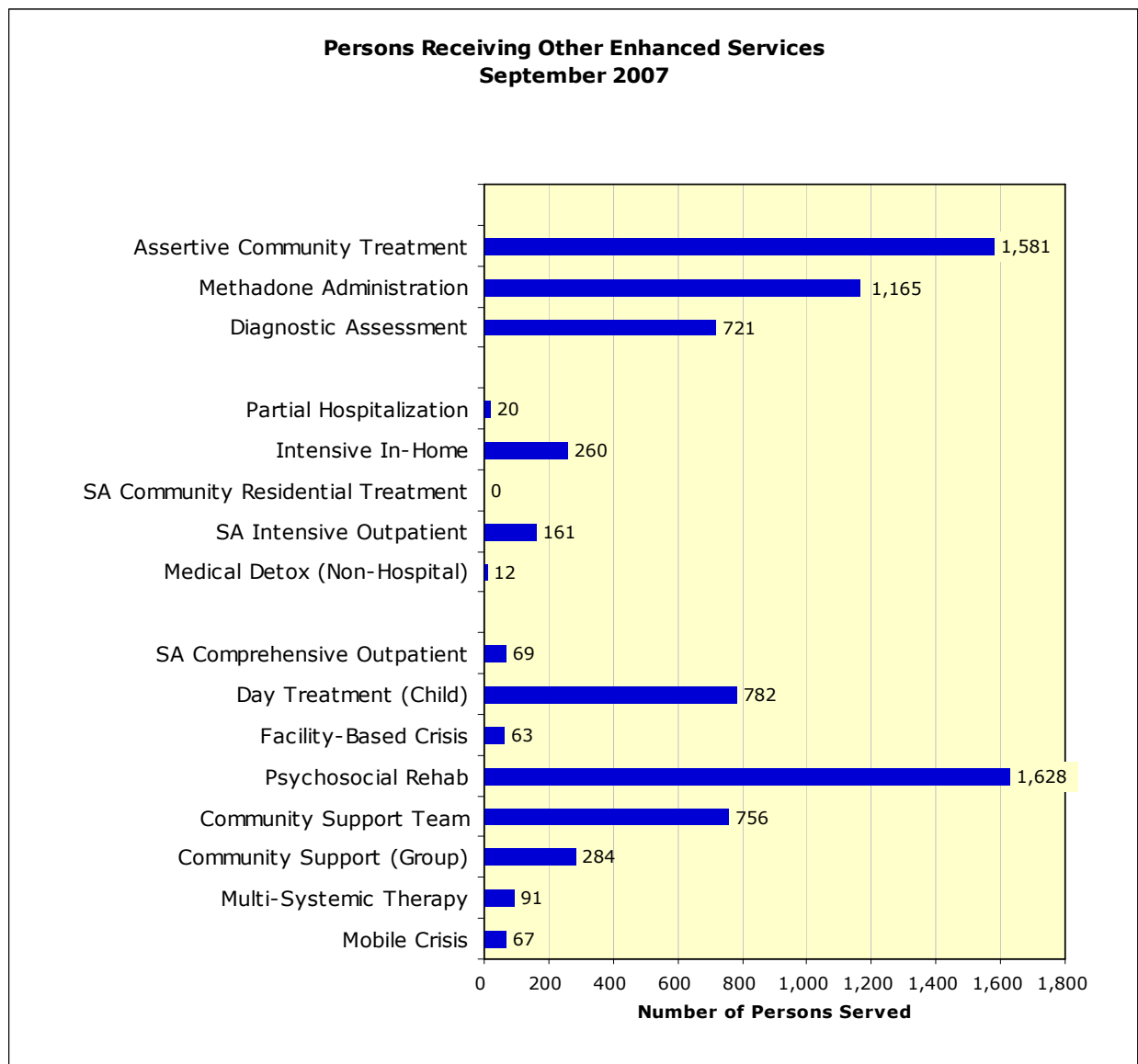
³ The Rapid Action Committee will continue to review actions and sanctions for other types of MH/DD/SAS providers.

⁴ Any direct referrals of community support providers to the MIU by agencies, families, or other stakeholders that do not pass through review by DMH or DMA, will not be included in this report.

Use of Other New Enhanced Services

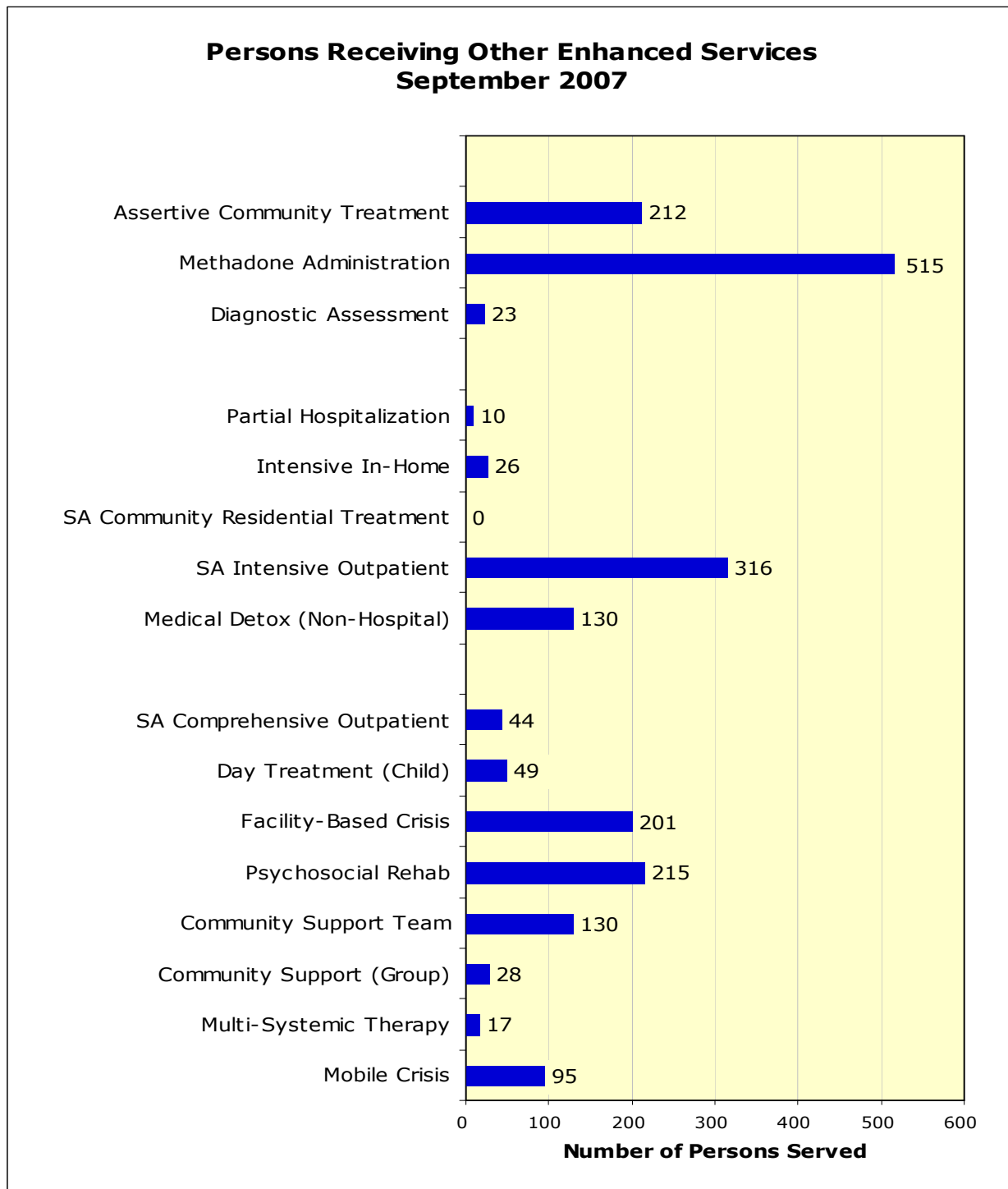
Based on the most complete data available for this report (September 2007), the number of individuals receiving other Medicaid-funded enhanced services in September 2007, as shown in Figure 3.1, was much lower than the 40,630 individuals who received community support during that month. (Refer to Figure 1.1.) The greatest numbers of persons receiving other enhanced services were in psychosocial rehabilitation (PSR) and assertive community treatment teams (ACTT). The number of persons receiving PSR continued to drop (from 1,689 in August to 1,628 in September. The number of persons receiving ACTT also decreased 5% (from 1,657 to 1,581 individuals) during the same period. In contrast the number of persons receiving community support treatment (CST) in August, 2007 rose 4% in the last month (from 730 in August to 756 in September 2007).

Figure 3.1
Medicaid-Funded Services



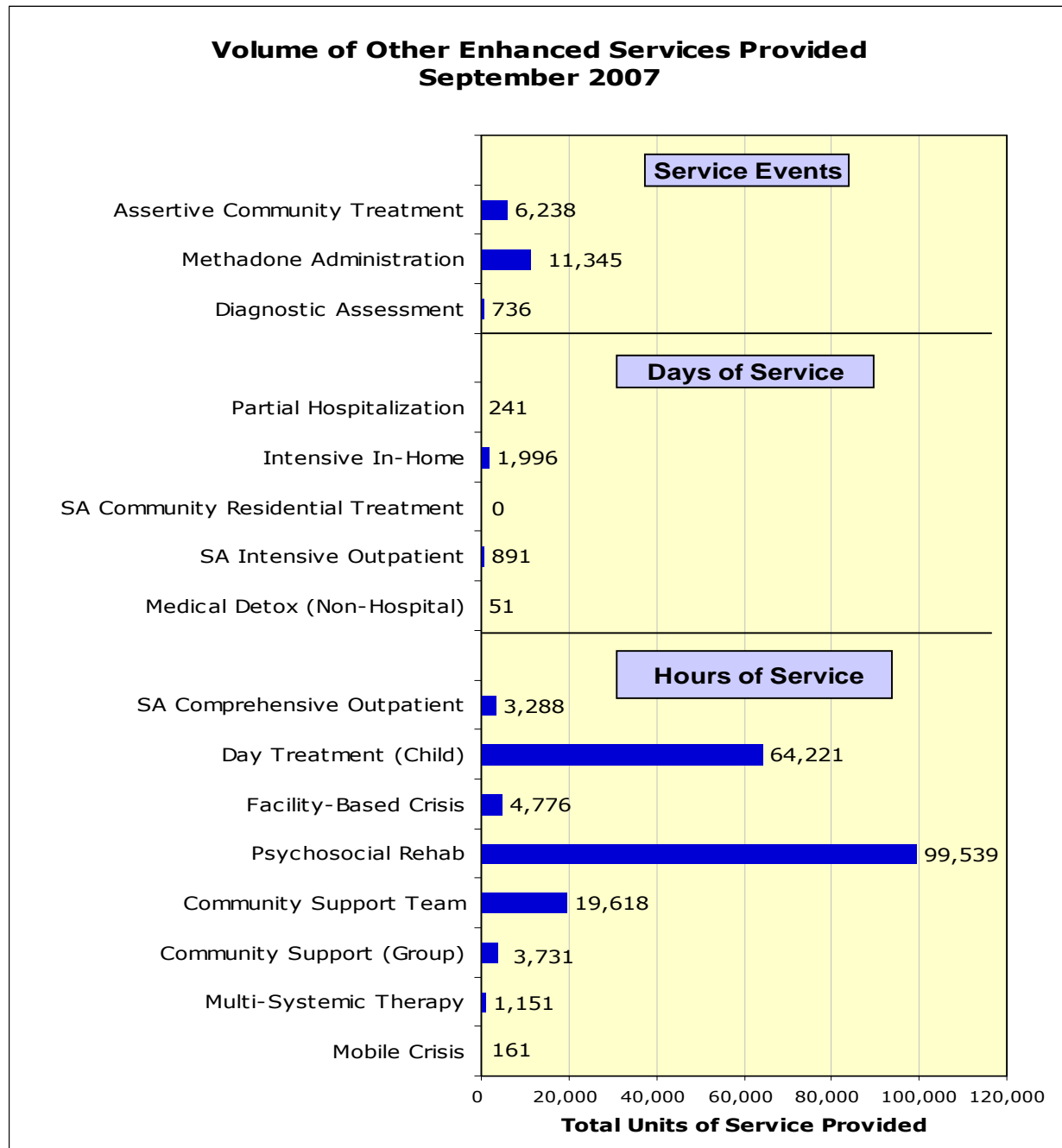
Likewise, more State-funded consumers received community support than other enhanced services. As shown in Figure 3.2, methadone administration and substance abuse intensive outpatient treatment served the most State-funded consumers, after community support services.

Figure 3.2
State-Funded Services



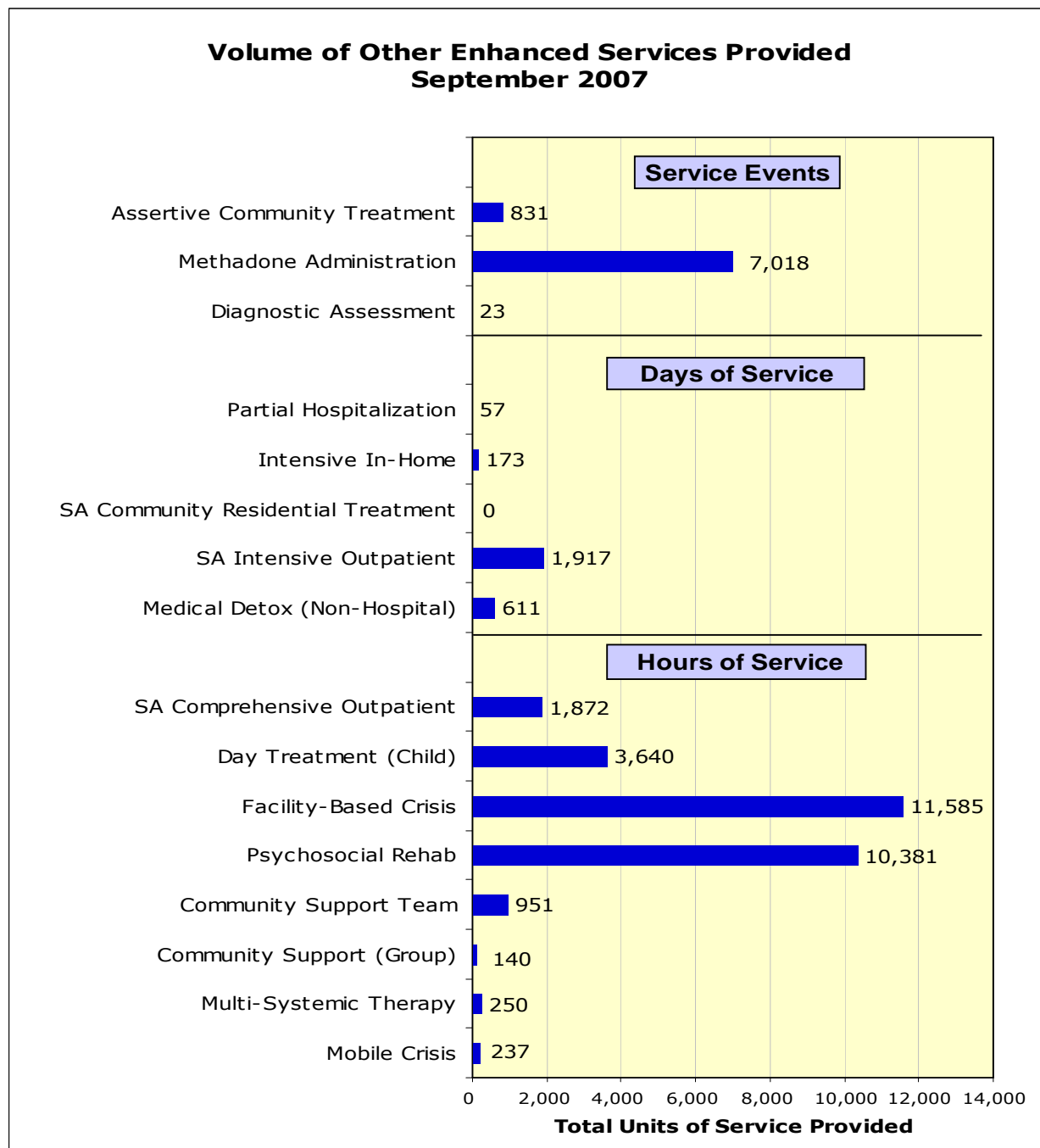
The total hours of other enhanced Medicaid-funded services provided in September 2007 were also less than for community support, as shown in Figure 3.3. For services billed by the hour (or parts of an hour), psychosocial rehabilitation (about 100,000 hours) and child day treatment (almost 64,000 hours) were the highest used services next to community support, which had about 1.3 million hours for all ages combined (Refer to Figure 1.3).

Figure 3.3
Medicaid-Funded Services



As shown in Figure 3.4, facility based crisis services (at over 11,000 hours) and PSR (at over 10,000 hours) were the most used State-funded hourly services after community support, at over 19,000 hours for all ages combined (Refer to Figure 1.4).

Figure 3.4
State-Funded Services



The average hours per person for these services show a different pattern, however. As indicated in Figure 3.5, children and adolescents in Medicaid-funded day treatment that month averaged over twice as many hours as those in community support. Likewise, adults in psychosocial

rehabilitation averaged 61 hours of service for PSR compared to 26 hours for those in community support. For State-funded services (Figure 3.6) individuals in PSR received 12 times as many hours as those in community support. Likewise, children in day treatment received over five times as many hours as those in community support. This is the direction that the service delivery system needs to be developing in order to support other enhanced services.

Figure 3.5
Medicaid-Funded Services

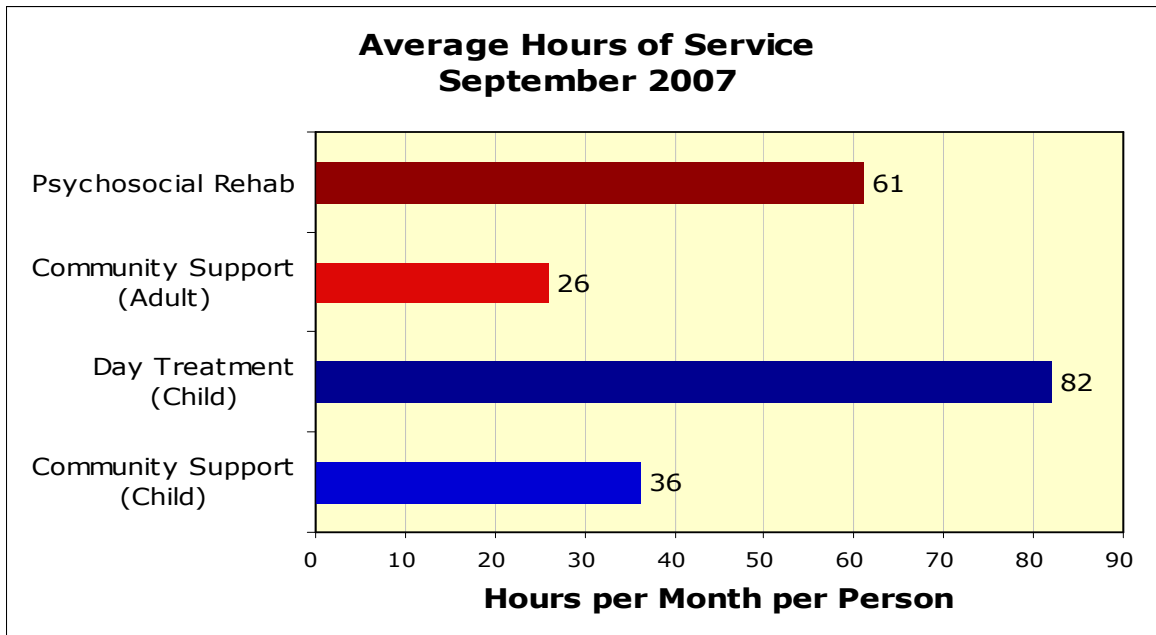
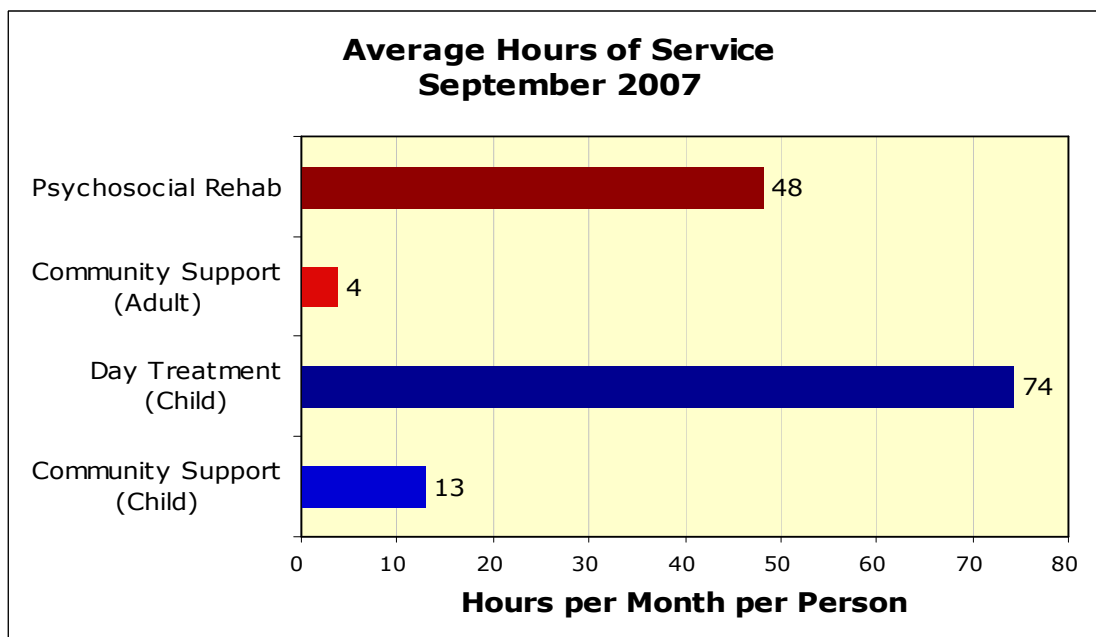


Figure 3.6
State-Funded Services



Day treatment for children is the most costly enhanced service per month per person (as seen in Figures 3.7 and 3.8).

Figure 3.7
Medicaid-Funded Services

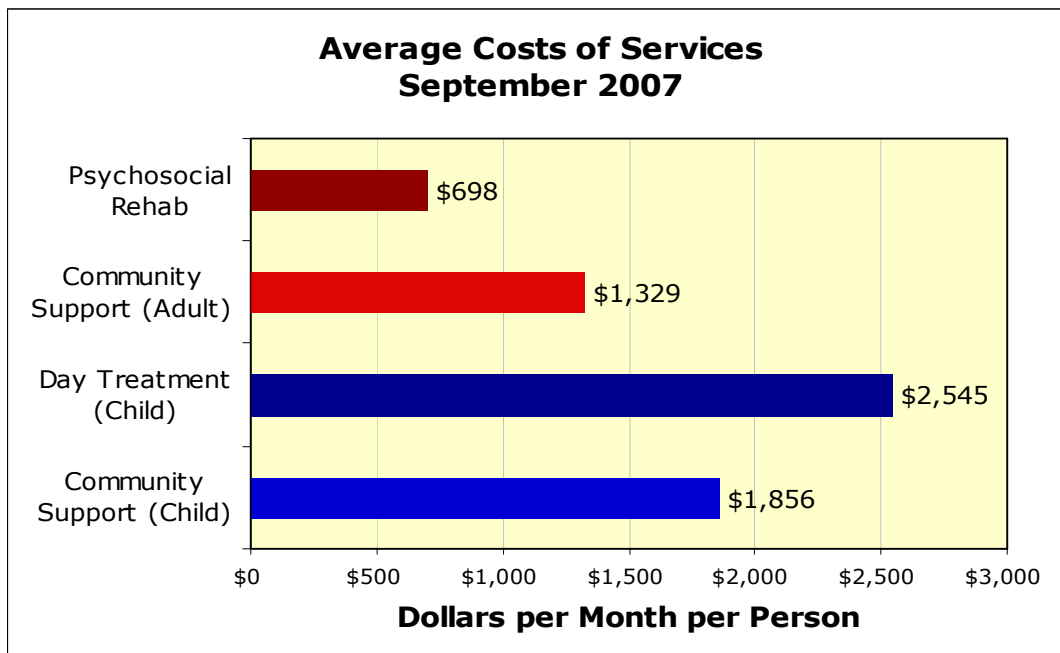


Figure 3.8
State-Funded Services

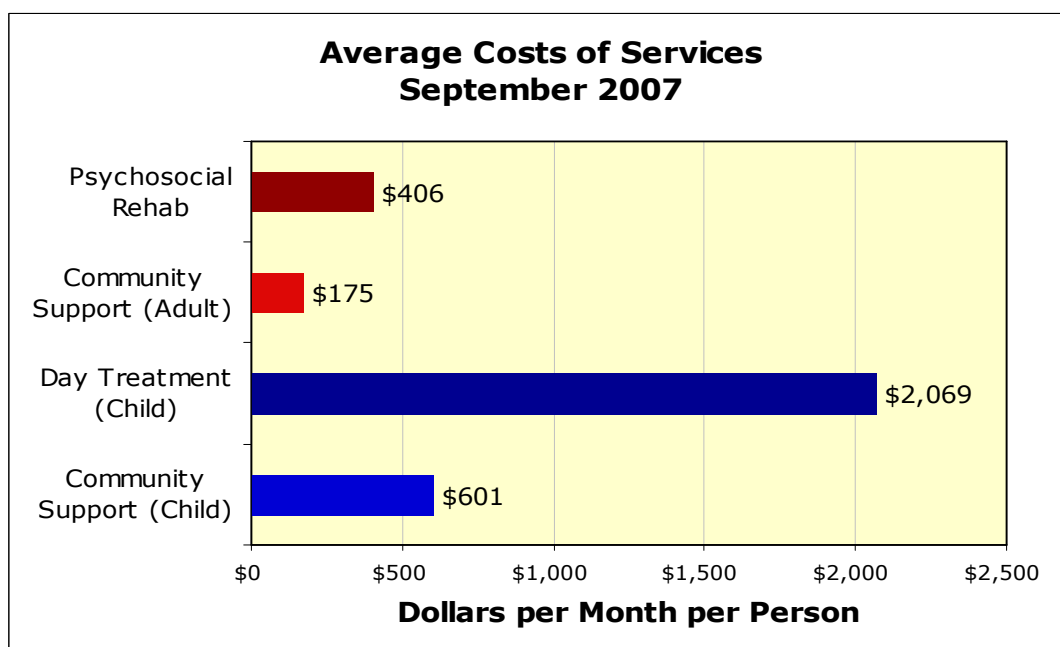
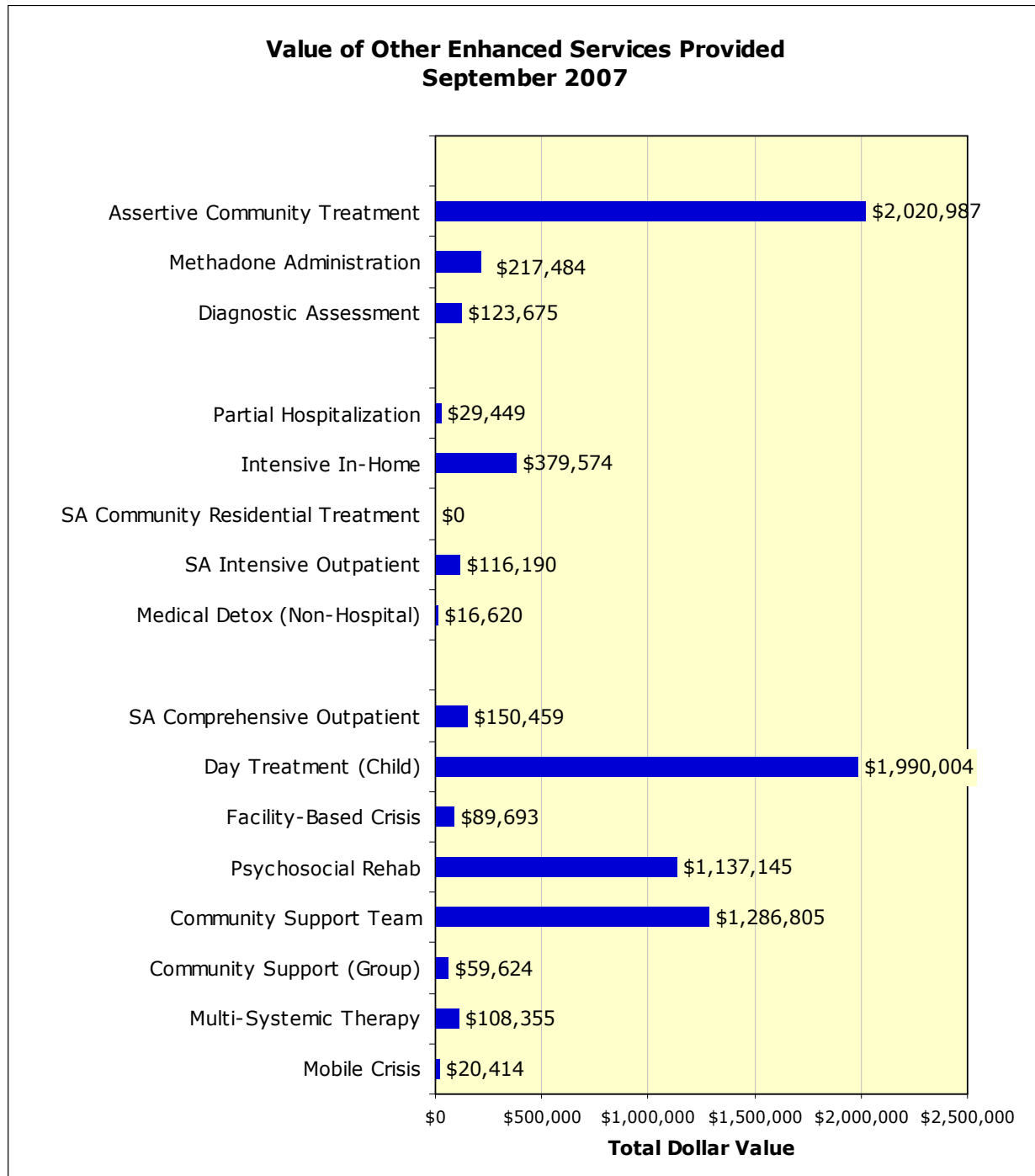


Figure 3.9 shows the total cost of Medicaid-funded enhanced services other than community support that were provided in September 2007. Expenditures for child day treatment and ACTT were about \$2 million each and the costs of community support team and PSR were about \$1 million each. In comparison, community support services were \$49 million for children and almost \$19 million for adults (Refer to Figure 1.5).

Figure 3.9
Medicaid-Funded Services



The total costs of State-funded enhanced services in September 2007 (Figure 3.10) show a similar pattern for ACTT at \$207,500. However, facility-based crisis services at about \$207,000 was the most expensive service after community support at over \$868,000 for all ages combined (Refer to Figure 1.6).

Figure 3.10
State-Funded Services

